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15 October 1965

MEMORANDUM FOR: Assistant for Plans and Development

THROUGH: Chief, Development Branch

SUBJECT: [REDACTED] Proposal for "An Advanced Information Handling System"

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1. The proposal for "An Advanced Information Handling System" submitted by [REDACTED] has been evaluated by the P&DS staff from the following aspects: (1) The planned P&DS FY-66-67 Information/Materials Handling Program, (2) the IPD Staff Study (IPD/NPIC 212-65) dated 9 September 1965, and (3) P&DS's past experience in evaluating proposals. With the above considerations in mind, the following comments are considered to be applicable:

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a. Although we understand that two proposals were received, only one was submitted to P&DS for comment. It is the experience of this staff and the Procurement Division that solicitation and evaluation of sole source proposals is an extremely dangerous procedure in programs of this magnitude. It is understood that other companies were investigated, but past experience indicates that the Government has often been put into indefensible, compromising situations when competitive proposals are not obtained. Frequently companies will put completely different personnel on a proposal effort than those which may be contacted on a verbal basis. The proposal is the standard legal work statement that must be accepted from the contractor and not the verbal discussions that may have occurred with their "front" personnel. We understand that a "snow job" can occur in a proposal as well as in a verbal conversation; however, only the proposal becomes a legal commitment.

b. The objectives, if any, against which the proposal was written have not been made available to this staff. It is therefore impossible to determine if the proposal does cover the desired objectives. The [REDACTED] proposal is definitely incomplete in meeting the objectives as they are conceived by P&DS. On the other hand, the proposal appears to be much broader than indicated in IPD's Staff Study.

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c. The program as presented, particularly in Phase I, Analysis, would result in a "crash" program, since much of the proposed five months allocated for analysis would be devoted to education of the [ ] analysis team. This would mean at best a superficial study in the time proposed; however, the future of the entire Center's information handling capability could rest on the study.

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d. The context of the proposal and the experience background in the personnel resumes indicate an excellent capability in the general field of information processing. However, there is a corresponding lack of knowledge and capability in reconnaissance, photo interpretation and intelligence procedures. We believe that the invitation of competitive proposals will reveal companies which have experience in the applications of advanced information handling techniques to reconnaissance, photo interpretation and intelligence systems.

e. The [ ] proposal indicates advanced technical knowledge of information flow analysis and processing techniques. Their approach and ability to perform simulation work, is of extreme interest to this staff. It is difficult, however, to determine the full capability of [ ] without further consultation.

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2. It is recommended that the [ ] be given serious consideration as one of the prospective bidders for the Information/Materials Handling Program. One possible approach to solving the program objectives is to use [ ] as an associate contractor, utilizing their strength in computer simulation and general computer background, and contracting other organizations for correlated knowledge of reconnaissance exploitation procedures and developments of advanced systems for materials handling and exploitation of real-time pictorial and textural intelligence acquired and transmitted through data link systems.

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Chief, Support Systems Section, DB

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